

**District Court Funds of
District No. 21
City of Garden City, Michigan**

**Financial Report
with Additional Information
June 30, 2008**

District Court Funds of District No. 2 I

City of Garden City, Michigan

Contents

Report Letter	I
Management's Discussion and Analysis	2-3
Financial Statement	
Balance Sheet	4
Notes to Balance Sheet	5-6
Other Supplemental Information	7
Schedule of Cash Receipts and Disbursements	8



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Independent Auditor's Report

To District Judge Richard L. Hammer, Jr.
District Court No. 21
Garden City, Michigan

We have audited the accompanying balance sheet of the District Court Funds of District No. 21, City of Garden City, Michigan (a component unit of the City of Garden City, Michigan) as of June 30, 2008. This financial statement is the responsibility of District Court No. 21, City of Garden City, Michigan's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statement referred to above presents fairly, in all material respects, the financial position of District Court No. 21, City of Garden City, Michigan as of June 30, 2008, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statement. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Plante & Moran, PLLC

December 12, 2008

District Court Funds of District No. 21

City of Garden City, Michigan

Management's Discussion and Analysis

Our discussion and analysis of District Court Funds of District No. 21, City of Garden City's (the "District Court") financial performance provides an overview of the District Court's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the District Court's financial statement.

Using this Financial Report

This financial report represents the activities of the funds of the District Court during the year. The funds of the District Court are agency funds. Therefore, the activities are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. A detailed schedule of cash receipts and disbursements is shown in the supplemental information portion of the financial report.

The District Court as a Whole

The following table shows, in a condensed format, the assets and liabilities as of June 30, 2008 and compared to the prior year:

The District Court's combined assets and liabilities increased 10 percent from a year ago - increasing from \$77,962 to \$85,772.

	2008	2007
Assets - Cash	\$ 85,772	\$ 77,962
Liabilities		
Due to District Control Unit	\$ 49,877	\$ 44,693
Due to Wayne County Treasurer	2,600	1,487
Due to Wayne County Sheriff	1,010	436
Due to State of Michigan	20,450	17,487
Refundable bonds	11,835	13,859
Total liabilities	\$ 85,772	\$ 77,962

District Court Funds of District No. 21 City of Garden City, Michigan

Management's Discussion and Analysis (Continued)

The following table shows, in a condensed format, the receipts and disbursements during the year ended June 30, 2008 and compared to the prior year:

The District Court's receipts increased 14 percent from a year ago - increasing from \$915,132 to \$1,044,752. The District Court's disbursements increased 12 percent from a year ago - increasing from \$923,332 to \$1,036,942. Activity increased during 2008 due to an increase in traffic citations and the civil caseload. The fines and costs on civil infractions also increased in February 2007, which added to the increase in receipts and disbursements.

	2008	2007
Receipts	<u>\$ 1,044,752</u>	<u>\$ 915,132</u>
Disbursements		
Transfers to District Control Unit	\$ 637,122	\$ 531,222
State of Michigan	251,288	202,607
Wayne County	37,735	18,228
Bond refunds and forfeitures	<u>110,797</u>	<u>171,275</u>
Total disbursements	<u>\$ 1,036,942</u>	<u>\$ 923,332</u>

Contacting the District Court's Management

This financial report is intended to provide our citizens and customers with a general overview of the District Court's activities and to show the District Court's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the District Court directly at (734) 793-1680.

District Court Funds of District No. 21

City of Garden City, Michigan

Balance Sheet June 30, 2008

	Depository Accounts	Bond Account	Total
Assets - Cash (Note 2)	<u>\$ 73,937</u>	<u>\$ 11,835</u>	<u>\$ 85,772</u>
Liabilities			
Due to District Control Unit	\$ 49,877	\$ -	\$ 49,877
Due to Wayne County Treasurer	2,600	-	2,600
Due to Wayne County Sheriff	1,010	-	1,010
Due to State of Michigan	20,450	-	20,450
Refundable bonds	<u>-</u>	<u>11,835</u>	<u>11,835</u>
Total liabilities	<u>\$ 73,937</u>	<u>\$ 11,835</u>	<u>\$ 85,772</u>

District Court Funds of District No. 21

City of Garden City, Michigan

Notes to Balance Sheet
June 30, 2008

Note 1 - Significant Accounting Policies

The funds of District Court No. 21, City of Garden City, Michigan (the "District Court") are agency funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. Accordingly, the operations of the funds are limited to cash transactions. In accordance with accounting principles generally accepted in the United States of America, there are no component units to be included in this financial statement.

The following is a summary of the significant accounting policies used by the District Court:

The bond and general accounts of the District Court are agency funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Note 2 - Deposits

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. A local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The District Court has designated one bank for the deposit of its funds. The investment policy adopted by the District Court in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The District Court's deposits and investment policies are in accordance with statutory authority.

District Court Funds of District No. 2 I

City of Garden City, Michigan

Notes to Balance Sheet
June 30, 2008

Note 2 - Deposits (Continued)

Custodial Credit Risk of Bank Deposits - The District Court's cash and investments are subject to custodial credit risk of bank deposits. Custodial credit risk is the risk that in the event of a bank failure, the District Court's deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. At year end, the District Court had deposits totaling \$75,616, all of which were covered by federal depository insurance. Additionally, the District Court evaluates each financial institution; only those institutions with an acceptable estimated risk level are used as depositories.

Other Supplemental Information

District Court Funds of District No. 2 I

City of Garden City, Michigan

Schedule of Cash Receipts and Disbursements

Year Ended June 30, 2008

	Depository Accounts	Bond Account	Total
Cash Balance - July 1, 2007	\$ 64,103	\$ 13,859	\$ 77,962
Receipts			
Fines and fees collected	874,286	-	874,286
Probation monies	61,693	-	61,693
Bond receipts	-	108,773	108,773
Total receipts	935,979	108,773	1,044,752
Disbursements			
Transfers to District Control Unit for distribution to:			
District Control Unit General Fund	592,686	-	592,686
District Control Unit Building Fund	29,078	-	29,078
District Control Unit Drunk Driving Fund	6,918	-	6,918
District Control Unit Police Dept. OUIL	8,440	-	8,440
State of Michigan	251,288	-	251,288
Wayne County Treasurer	23,950	-	23,950
Wayne County Sheriff	13,785	-	13,785
Bond refunds and forfeitures	-	110,797	110,797
Total disbursements	926,145	110,797	1,036,942
Cash Balance - June 30, 2008	\$ 73,937	\$ 11,835	\$ 85,772